



City of Verona

Finance Committee
City Hall – 111 Lincoln Street
Verona, WI 53593-1520

MINUTES FINANCE COMMITTEE SEPTEMBER 14, 2020

Due to the COVID-19 pandemic, the Verona Finance Committee held its meeting as a virtual meeting. The Finance Committee did not meet at City Hall, 111 Lincoln Street. Members of the Finance Committee and Staff joined the meeting by using Zoom Webinar. Members of the public were able to join the meeting using Zoom Webinar via a computer, tablet, or smartphone, or by calling into the meeting via phone.

The meeting was called to order by Alder Kate Cronin at 6:00 p.m.

Roll Call: Alder Kate Cronin and Alder Christine Posey were present, Chairperson Chad Kemp was excused.

Also present: Mayor Luke Diaz, City Administrator Adam Sayre, Finance Director Brian Lamers and FitchRona EMS Chief Patrick Anderson.

Discussion and Possible Action regarding approval of August 24, 2020 Finance Committee minutes: Motion was made by Posey, seconded by Cronin to approve the August 24, 2020 Finance Committee minutes with no changes noted. Motion carried 2-0.

Discussion and Possible Action regarding the Amendment to Agreement between All City Management Services Inc. and the City of Verona for Providing School Crossing Guard Services: Sayre explained the amendment to the agreement with a reduction of approximately \$23,000. There will be a 2.5% increase in wages to the Crossing Guards as of January 1, 2021 and removal of some penalty language that staff felt wasn't necessary. Posey questioned the removal of the penalty language, since there was not even a full year with this company last school year. Sayre stated that last school year was only a couple weeks short of the penalty language ending and the Police Department staff felt comfortable with the removal of the language. Motion was made by Posey, seconded by Cronin to recommend to the City Council the amendment to the agreement between All City Management Services Inc. and the City of Verona for Providing School Crossing Guard Services through December 31, 2021. Motion carried 2-0.

Discussion and Possible Action regarding CARES Funding for COVID-19 Expenditures: Cronin stated this came up at the Library Board to use funding from the grant to install clean air system. Sayre stated that the City was allotted approximately \$202,000. The City spent approximately \$22,000 that applied for reimbursement. He stated that the quotes for Library for this air purifier would be about \$20,000, the City would be about \$26,000, Public Works and Senior Center would be about \$10,000 each, a total cost between \$60,000 to \$70,000. He stated

that the estimated were higher than expected and Staff looked for alternatives. The Contractor for our systems would not recommend the cheaper model. Sayre stated that the City should be diligent because not sure what is coming next with Covid-19 and if it continues to go on what expenditures may be coming. Currently we have no data on what the air quality is now and what it will be once this is installed. Posey stated would we do this if the funds were not there for Covid-19.

Discussion took place where the funds would come from if the funding was denied through the grant. Sayre stated the Library is about \$300,000 under what they should be for fund balance based on the policy.

Lamers pointed out in the Terms and Conditions for the Routes to Recovery grant 2.4 that “Expenditures that were not made in response to the COVID-19 public health emergency, or that include improvements or other expenditures beyond what can reasonably be considered necessary to address COVID-19 related issues, are not eligible”.

Posey said she went through the terms and conditions and felt that there is nothing in there that would state this wouldn't be covered and felt the language of cleaning, sanitizing and other cost of Covid-19 mitigation in public areas and facilities would cover this.

Cronin stated it was discussed at the Library Board there is a budget line item that possibly could be used to cover this if needed to be. Lamers stated the Library's fund balance is currently \$300,000 under what it should be based on the policy, they should not be spending that.

After further discussion the decision was to put this on the next Finance Agenda for further discussion.

Discussion and Possible Action regarding Updates on the 2021 Budget, EMS, TIFs, Debt, Economic Development and Other Departments: FitchRona EMS Chief Patrick Anderson presented the 2021 EMS budget. He stated that there was a raise in the base rate for billing of \$100. The majority of increase to the budget was due to wages and fringes which was contractual. The contract is in year 2 of a 4 year contract. He stated the unscheduled overtime was decreased by 22%, this was based on actual over the last couple years. He stated there was a cut to the internship program and hoping this was only going to stay removed for 1 to 2 years and then included back into the budget.

Lamers stated even though on the EMS budget we are going up \$22,312, from last year's levy it is going up \$69,769

Lamers went through the debt budget and pointed out that the City's General Obligation debt as of 12/31/20 is at \$51 million, which is 41.64% of the City's policy of 3.75% of the equalized value. He stated the total levy for 2021 is \$4,603,502 which \$261,294 is Library Levy and \$4,342,208 is General Levy. Other sources of funds, such as impact fees, are used to offset some of the \$5,267,031 expenditures in the fund. The estimated fund balance of \$66,851 is required to stay in the fund to offset future interest from previous borrowing.

Lamers went over the Verona Economic Development Commission (VEDC) budget for 2021. He stated with the amount that was paid out to small businesses in 2020, the remaining funds

available at the end of 2020 are estimated at \$494,000. There are two loans still outstanding at the end of 2020 are approximately \$55,000 total. The only budget item in 2021 is the estimated interest on the two outstanding loans.

Lamers went over TIF 4 and stated the majority of income is from tax increments and other state payments. At this point the tax increment on all TIF's is an estimated amount and will be adjusted to actual when we get the reports. The majority of expenditures in TIF 4 are from a pay-go to a developer and debt payments. The outstanding debt at the end of 2021 will be \$1,205,000.

Lamers stated in TIF 6 the majority of income is from tax increments and other state payments. The majority of expenditures are for debt payments. The outstanding debt at the end of 2021 will be \$1,125,000.

Lamers stated there wasn't much in TIF 8 and TIF 9 besides a couple projects in the works and little activity at this point.

Lamers stated TIF 10 state ACS developer agreement has been signed and the increments will start coming in 2021.

Lamers stated that this week we should be getting the information regarding the Health Insurance for 2021 and also determined that the COLA would need to be reduced to 2%.

Discussion and Possible Action regarding the City Investment Report for August 2020: Lamers stated that investments went up due to the tax settlement and the bond issue that was on August 20th.

Discussion and Possible Action regarding the Revenue and Expenditure Summary Report for August 2020: Lamers stated we will be well under in Room Tax revenue. Also there will be a significant revenue decline in the Recreation programs. Building Inspection revenue is anticipating higher, but the expense will be higher due to Contracted Services being over budget. There are still a couple positions still left open such as the Planning Director and the Utility Accountant.

Discussion and Possible Action regarding the payment of bills:

Motion was made by Posey, seconded by Cronin to approve the payment of bills totaling \$278,139.69. Motion carried 2-0.

Adjournment: Motion was made by Posey, seconded by Cronin, to adjourn the Finance Committee Meeting at 6:58 p.m. Motion carried 2-0.

Respectfully submitted,
Brian Lamers CPA
Finance Director